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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/919,413	07/31/2001	David Lawrence	3499-132	4206
27383	7590	04/06/2005	EXAMINER	
CLIFFORD CHANCE US LLP 31 WEST 52ND STREET NEW YORK, NY 10019-6131			SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 04/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/919,413

Applicant(s)

LAWRENCE ET AL.

Examiner

Narayanswamy Subramanian

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 January 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 26-56 is/are pending in the application.
- 4a) Of the above claim(s) 44-56 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 26-43 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to the request for continued examination filed on January 3, 2005. Amendments to claims 26 and 32, and addition of claims 44-56 have been entered. Claims 26-56 are currently pending. New claims 44-56 are subject to restriction and have been withdrawn from consideration as discussed below. Claims 26-43 have been examined. The response to amendment, rejections and response to arguments are stated below.

Response to Amendment

2. Newly submitted claims 44-56 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons:

The claims 26-43 that were examined in the last office action and the currently amended claims are drawn to a computer implemented method for managing risk related to an online transaction associated with an online marketplace, the method comprising: receiving into a computer system data descriptive of the transaction comprising: an amount of money involved in the transaction; a geographic location of a market participant associated with the transaction; government regulations associated with the transaction; and one or more currencies involved in the transaction; receiving into the computer system an identifier of one or more market participants associated with the transaction; receiving into the computer system risk data, wherein said risk data is generally related to at least one of: regulatory risk, and risk associated with a cost to defend an adverse position; associating a portion of the risk data with at least one of: the data descriptive of the transaction and the identifier of one or more market participants associated with the transaction; and generating a report comprising the portion of the risk data

which is associated with at least one of: the data descriptive of the transaction and the identifier of one or more market participants associated with the transaction.

The new claims 44-56 are drawn to a computer implemented method for providing regulatory oversight of an online financial transaction contemplated by an online market participant, the method comprising: receiving digital information into a computer storage descriptive of the contemplated online transaction; calculating with a computer processor a numerical risk quotient representative of the likelihood that execution of the contemplated online transaction may cause the online market participant to violate a rule put forth by a regulatory agency wherein the risk quotient is calculated by the steps of: receiving digital information into each of multiple database fields stored in a computer storage; associating each of the database fields with one of multiple predefined risk categories; assigning a numerical value to represent a weight of each of the multiple predefined risk categories based upon an amount of regulatory risk associated with each respective risk category; assigning a numerical value to the information received into a database field based upon an amount of regulatory risk associated with the digital information received; and multiplying the numerical value assigned to the information received into the database field by the numerical value representing the weight of the category associated with the respective database field into which the information was received; generating with the computer processor a suggested action correlating to the numerical value of the risk quotient; receiving an indication or whether the suggested action is completed by the online market participant; and generating a report comprising the information descriptive of the contemplated online transaction, the numerical value of the risk quotient, the suggested action and the indication of whether the suggested action was completed by the online participant.

Clearly the limitations present in claims 44-56 such as “calculating with a computer processor a numerical risk quotient representative of the likelihood that execution of the contemplated online transaction may cause the online market participant to violate a rule put forth by a regulatory agency”, “assigning a numerical value to represent a weight of each of the multiple predefined risk categories based upon an amount of regulatory risk associated with each respective risk category; assigning a numerical value to the information received into a database field based upon an amount of regulatory risk associated with the digital information received; and multiplying the numerical value assigned to the information received into the database field by the numerical value representing the weight of the category associated with the respective database field into which the information was received” are not present in the method of claims 26-43, making the two inventions distinct and independent.

3. Because these inventions are distinct for the reasons given above and the search required for claims 26-43 is different from that required for new claims 44-56, restriction for examination purposes as indicated is proper even though the two inventions are classified in the same class and sub-class. Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 44-56 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03. Applicants in replying to this office action are respectfully advised to cancel the non-elected claims.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 26-33 and 38-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Basch et al (US Patent 6,119,103) in view of Moss et al (US Patent 2002/0128945 A1).

With reference to claim 26, Basch teaches a computer implemented method for managing risk related to an online transaction associated with an online marketplace, the method comprising: receiving into a computer system data descriptive of the transaction comprising: an amount of money involved in the transaction (See Basch Column 3 lines 51-56); and one or more currencies involved in the transaction (when the amount of money involved in the transaction is specified a currency involving the amount of money is automatically specified); receiving into the computer system an identifier of one or more market participants associated with the transaction (See Basch Column 3 line 65 – Column 4 line 8, account holders are one of participants associated with the transaction); associating a portion of the risk data with at least one of: the data descriptive of the transaction and the identifier of one or more market participants associated with the transaction (See Basch Column 5 lines 11-16, Column 7 lines 38-65, the account holders are one of the market participants); and generating a report comprising the portion of the risk data which is associated with at least one of: the data descriptive of the transaction and the identifier of one or more market participants associated with the transaction (See Basch Column 8 lines 7-12). (Also see Basch Figures 1-9) A Computer system is inherent in the disclosure of Basch.

Basch does not explicitly teach the steps of geographic locations associated with the transaction; government regulations associated with the transaction; and receiving into the

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computer system risk data, wherein said risk data is generally related to at least one of:
regulatory risk and risk associated with a cost to defend an adverse position.

Moss teaches the steps of geographic locations associated with the transaction (See Moss Paragraphs 64 and 65); government regulations associated with the transaction (See Moss Paragraphs 64 and 65); one or more currencies involved in the transaction (See Moss Paragraphs 52 and 53) and receiving into the computer system risk data, wherein said risk data is generally related to at least one of: regulatory risk (See Moss Paragraphs 64 and 65) and risk associated with a cost to defend an adverse position (See Moss Paragraphs 64 and 65). Moss teaches liability risk that includes the risk associated with a cost to defend an adverse position.

Basch is concerned with the problem of predicting risk of transactions given the data related to the transaction and data from external databases, transaction archives and consolidated database (See Basch Figure 4). Moss is also concerned with problem of filtering data related to the transaction to make it easier for the parties to the transaction to trade. It would have been obvious to one with ordinary skill in the art at the time of invention to modify Basch to include the steps of geographic locations associated with the transaction; government regulations associated with the transaction; and receiving into the computer system risk data, wherein said risk data is generally related to at least one of: regulatory risk and risk associated with a cost to defend an adverse position. The inclusion of these steps would have helped the parties to the transaction consider all the relevant risk factors without being overwhelmed with information overload.

With reference to claims 27-29 Basch teaches method of claim 26 wherein the data descriptive of the online transaction is received from one or more of: an online retailer, an online

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wholesaler, a business to business supplier; and an online auction (See Basch Column 5 lines 11-16, merchants include both retailers and wholesalers); from one or more of: an online retailer, an online wholesaler, a business to business supplier; and an online auction (See Basch Column 5 lines 11-16, account issuers include both merchant banks and commercial banks); and public data records (See Basch Column 7 lines 53-55, public records include a government entity also).

With reference to claim 30 Basch teaches method of claim 26 additionally comprising the step of generating a risk score based upon the portion of the risk data which is associated with at least one of: the data descriptive of the transaction and the identifier of one or more market participants associated with the transaction (See Basch Column 7 lines 34-65 and Column 9 lines 22-32). Risk scores include risk quotients and divorce filings, tax liens, judgments, and the like data related to are legal risks.

With reference to Claims 32, 33 and 38, Basch teaches a method of claim 30, wherein the risk quotient is additionally indicative of an amount of legal risk (See Basch Column 9 lines 22-38, information about bankruptcy, fraudulent usage are data related to legal risks and since these are included in the scores the risk quotient is indicative of the legal risk as well); wherein the risk quotient indicates a financial risk (See Basch Column 9 lines 22-32); and additionally comprising the steps of generating a suggested action based upon at least one of: the risk quotient, the risk data; and the identifier of one or more market participants associated with the transaction. (See Basch claim 1) Financial risk is interpreted to include an amount of risk associated with monetary costs related to at least one of fines, forfeitures and costs to defend an adverse position and the step of transmitting the score to an account issuer based on the score is interpreted to include the step of generating a suggested action responsive to the risk quotient.

With reference to claims 39-43 Basch teaches method of claim 38, wherein the report additionally comprises a description of the suggested action (See Basch Column 13 lines 21-63); and the suggested action comprises limiting the scope of the online transaction (See Basch Column 16 lines 26-32 and 51-57, designing filters tailored according to a geographic location and for a particular type of transaction is interpreted to include the step of limiting the scope of the online transaction) or notifying an authority (See Basch Column 9 line 62 – Column 10 line 3, the authorized private or public data services are interpreted to include an authority) or discontinuing the online transaction (See Basch claim 6, denying authorization request is interpreted to include the step of discontinuing the online transaction; and presenting the reports/alerts to data consumers (See Basch Column 13 lines 21-63, presenting the reports/alerts to data consumers is interpreted to include the step of presenting the report to at least one of: a regulatory body, shareholders and news media).

With reference to claim 31, Moss teaches data related to regulatory risk (See Moss Paragraphs 64 and 65). Since the risk score in Basch is based on all risk factors, Basch in view of Moss teaches the step wherein the risk score is indicative of an amount of regulatory risk.

6. Claims 34-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Basch et al (US Patent 6,119,103) in view of Moss et al (US Patent 2002/0128945 A1) and further in view of Spitz et al (US Patent 2002/0139837 A1).

With reference to claims 34-37, Basch and moss combined teach method of claim 26 as discussed above.

Basch and Moss combined do not explicitly teach the steps wherein the risk data comprises world events; one government advisory; one or more obligations to know your

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customer according to government regulations; and a list generated by at least one of: the Office of Foreign Assets Control, the U.S. Commerce Department, and the U.S. White House.

Spitz teaches the steps wherein the risk data generally related to risk factors are retrieved from internal and external databases to quantify risk (See Spitz Paragraph 53). The data retrieved from internal and external databases are interpreted to include world events, one government advisory, obligations to know your customer according to government regulations and a list generated by at least one of the Office of Foreign Assets Control, the U.S. Commerce Department, and the U.S. White House.

It would have been obvious to one with ordinary skill in the art at the time of invention to include these steps to the invention of Basch. The combination of the disclosures taken as a whole suggests that it would have helped the parties to the transaction to be confident that all relevant factors are considered before proceeding with the transaction.

Response to Arguments

7. Applicant's arguments with respect to claims 26-43 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax phone number for the Patent Office where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

N. Subramanian

March 31, 2005

 4/4/05

Jagdish N. Patel
Primary Examiner